

REFERENCE TITLE: state compensation fund; employer misrepresentation.

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2199

Introduced by
Representatives McLain: Jones, Reagan

AN ACT

AMENDING SECTION 23-984, ARIZONA REVISED STATUTES; RELATING TO THE STATE
COMPENSATION FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 23-984, Arizona Revised Statutes, is amended to
3 read:
4 23-984. Misrepresentation of payroll, job description, job
5 function or loss history affecting premium payment;
6 penalty; violation; classification
7 A. It is unlawful for an employer to wilfully misrepresent to an
8 insurance carrier the amount of payroll, the job description or job function
9 of an employee, or the employer's loss history, ~~upon~~ ON which the premium for
10 workers' compensation insurance to be paid to the insurance carrier is based.
11 B. An employer who violates subsection A is guilty of a class 6
12 felony.
13 C. In addition to the punishment ~~which~~ THAT may be imposed pursuant to
14 subsection B, an employer who violates subsection A is liable for a penalty
15 of ~~ten~~ THREE times the amount of the difference in premium paid and the
16 amount the employer should have paid. The penalty shall be collected in a
17 civil action BY THE INSURANCE CARRIER, IN ADDITION TO ANY OTHER DAMAGES THAT
18 ARE INCURRED BY THE INSURANCE CARRIER DUE TO THE MISREPRESENTATION, INCLUDING
19 COSTS AND ATTORNEY FEES. THE INSURANCE CARRIER SHALL INITIATE THE CIVIL
20 ACTION WITHIN FOUR YEARS AFTER THE DATE THE INSURANCE CARRIER KNEW OR WITH
21 THE EXERCISE OF REASONABLE DILIGENCE SHOULD HAVE KNOWN OF THE
22 MISREPRESENTATION. THE INSURANCE CARRIER MAY INITIATE THE CIVIL ACTION
23 REGARDLESS OF WHETHER A CRIMINAL ACTION IS BROUGHT AGAINST THE EMPLOYER.